

Message Text

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C O N F I D E N T I A L BUCHAREST 2489

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E.O. 11652: GDS

TAGS: PFOR, OEXC, EEWT, RO

SUBJ: PREPARATION FOR VISIT OF CEAUSESCU PARTY

REF: STATE 132185

1. COLLECTIVELY, OPREA, PUNGAN AND IONESCU HAVE RESPONSIBILITIES RANGING OVER ENTIRE ROMANIAN ECONOMY EXCLUDING AGRICULTURE. AMONG CEAUSESCU'S CLOSEST ECONOMIC ADVISERS, OPREA AND PUNGAN SPLIT THEIR FUNCTIONS ALONG DOMESTIC-INTERNATIONAL LINES (WITH PUNGAN HAVING THE INTERNATIONAL FIELD) BUT OPREA HAS ALLUDED TO CLOSE COOPERATION BETWEEN THE TWO. IONESCU'S RESPONSIBILITIES AS MIN SEC STATE IN MFT ARE FOCUSED MORE NARROWLY ON COOPERATION AND JOINT VENTURE AGREEMENTS, SEEKING TO RE-ASSERT MFT COORDINATION OVER THIS AREA. WHEN I LAST SAW HIM MAY 7 PUNGAN STRESSED EXTENSION OF MFN AS STEPPING STONE TO EXPANDED BASIS OF BILATERAL ECONOMIC COOPERATION INCLUDING PARTICULARLY COOPERATION IN THIRD COUNTRIES. STATUS OF EXISTING PROPOSALS FOR COOPERATION PROJECTS AS WELL AS LESSONS TO BE DRAWN FROM PAST BETWEEN GOR AND US FIRMS ARE, IN FACT, TO BE REVIEWED WITH IONESCU UPON HIS RETURN.

2. FROM THEIR RESPONSIBILITIES AND MOST RECENTLY EXPRESSED INTERESTS WE WOULD VENTURE THAT OPREA ET. AL. WILL BE PLUGGING THEME OF GLOWING PROSPECTS FOR EXPANDED TWO-WAY TRADE AND COOPERATION IN POST-MFN ENVIRONMENT. WHILE
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PAGE 02 BUCAR 02489 061226Z

WE ASSUME THAT PRIMARY DISCUSSIONS ON TRADE AGREEMENT WILL

TAKE PLACE IN DISCUSSIONS WITH CEAUSESCU, THIS GROUP SHOULD ALSO BE GIVEN OUR READING OF CURRENT CONGRESSIONAL PULSE, PARTICULARLY IN VIEW OF WORRY OVER PROSPECTS FOR PASSAGE EXPRESSED BY RECENTLY-RETURNED ROMANIAN DELEGATION TO ECONOMIC COUNCIL MEETING.

3. GIVEN NATURE OF TRIO IT MIGHT BE USEFUL TO EXPLORE SOME OF FOLLOWING, BASIC QUESTIONS:

A. FORMS OF ECONOMIC COOPERATION WITH WEST. WE HAVE HAD SEVERAL RECENT, THOUGH SCARECELY DEFINITIVE INDICATIONS THAT GOR MAY BE DEEMPHASIZING JOINT VENTURES IN FAVOR OF OTHER TYPES OF COOPERATION ARRANGEMENTS. IS ROMANIA NOW MORE INCLINED TO JOINT MANUFACTURING, LICENSING AGREEMENTS, TURNKEY CONSTRUCTION THAN TO JOINT VENTURES? IF NOT, WHAT IS ROMANIAN EXPLANATION OF FACT THAT ONLY FIVE JOINT VENTURES WITH WESTERN FIRMS CONCLUDED THUS FAR.

B. ECONOMIC LINKS WITH EAST AND WEST. HOW DOES ROMANIA SEE EVOLUTION OF ITS TRADE WITH SOCIALIST AS OPPOSED TO MARKET ECONOMIES. WHAT IS GOR ASSESSMENT OF IMPACT OF RECENT CEMA PRICE INCREASES ON INTRA-CEMA TRADE? WHAT IS LIKELY TO BE DEVELOPMENT OF ROMANIA'S RELATIONSHIP WITH EUROPEAN COMMUNITY?

C. FINANCING: APPRECIATING DELICACY OF THIS QUESTION, IT MIGHT NEVERTHELESS BE USEFUL EXPLORE HOW GOR VIEWS ITS ABILITY TO GENERATE HARD CURRENCY NEEDED FOR FORTHCOMING FIVE-YEAR PLAN. WHAT ROLE DO ROMANIANS SEE OPEC COUNTRIES AND IBRD PLAYING?

D. FLOW OF ECONOMIC INFORMATION. PERSISTENT PROBLEM FACED BY U.S. FIRMS SEEKING TO DO BUSINESS IS GOR'S SECRETIVENESS. WHAT ARE PROSPECTS FOR INCREASING FLOW OF BASIC DATA ON ECONOMY WHICH ARE SO CENTRAL TO TRADE AND INVESTMENT DECISIONS OF PRIVATE FIRMS? WOULD ROMANIA BE PREPARED TO PROVIDE US WITH DETAILS ON ALL PROJECTS FOR WHICH IT SEEKS FOREIGN EQUIPMENT OR COOPERATION? (RECENT ROMANIAN REQUESTS FOR ASSISTANCE IN LOCATING CONFIDENTIAL

CONFIDENTIAL

PAGE 03 BUCAR 02489 061226Z

INTERESTED U.S. FIRMS HAVE BEEN ENCOURAGING BUT HAVE BEEN LIMITED TO ONLY FEW SECTORS).

E. BUSINESS FACILITATION: WE CONTINUE TO SEE MORE FLEXIBLE AND FORTHCOMING ROMANIAN ATTITUDES ON OPERATING CONDITIONS FOR FOREIGN FIRMS AS VERY IMPORTANT PREREQUISITES FOR TRADE EXPANSION REGARDLESS OF FORM AND WOULD APPRECIATE POINT BEING MADE.

4. SEPTTEL ON POPESCU.
BARNES

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